

# Trade Act

## Program Reference Guide

**IDAHO**

DEPARTMENT OF LABOR

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# Table of Contents

Purpose .....	2
Background .....	2
Overview .....	3
Trade Adjustment Assistance or TAA ...	4
Job Search Allowance.....	4
Relocation Allowance .....	5
Retraining .....	7
On-the-Job Training (OJT) .....	8
Customized Training .....	9
Classroom Training .....	9
Transportation.....	11
Subsistence .....	11
Responsibilities During Classroom Training.....	11
Trade Readjustment Allowance or TRA.....	12
Alternative Trade Adjustment Assistance or ATAA .....	13
Training Waiver .....	14
Health Coverage Tax Credit .....	15
Contact Information .....	16

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## **Trade Act Programs**

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*The information provided in this document is directed toward individuals who have been determined eligible for Trade Act assistance and are enrolled in one of the programs.*

### **Purpose**

The U.S. Trade Act of 1974 established the Trade Adjustment Assistance program to help workers who have lost jobs for trade-related reasons find suitable employment as quickly as possible. The goal is to minimize the negative financial and social effects of job losses by providing these unemployed workers services to help them find suitable work.

The Trade Adjustment Assistance program provides several reemployment and retraining services. Workers must petition the U.S. Department of Labor to determine their eligibility. Workers deemed eligible or certified work with a local Trade Act case manager to identify needed services.

### **Background**

The Trade Act of 1974 was enacted to reduce the negative impact of foreign imports on the nation's economy. The North American Free Trade Agreement between the United States, Mexico and Canada became law in 1993 and provides similar employment services as the Trade Act except the Trade Act addresses trade issues worldwide. The Trade Reform Act of 2002 combined both the Trade Act and NAFTA laws into one program. Petitions or applications for trade act assistance filed after Nov. 4, 2002, are affected

by new trade rules and regulations. All other active petitions are covered under previous trade rules. The U.S. Department of Labor administers the Trade Act and NAFTA at the federal level and each state has a designated agency to administer the program and deliver services to eligible unemployed workers. In Idaho the Department of Labor operates the Trade Act program.

## Overview

The three Trade Act programs are

1. Trade Adjustment Assistance or TAA services include job search allowance, relocation allowance and training.
2. Trade Readjustment Allowance or TRA benefits include income equivalent to your weekly state unemployment insurance benefit. You may be eligible to receive TRA benefits if you are enrolled in training or are actively searching for work. TRA benefits are not paid until you have exhausted all of your unemployment insurance benefits. In some cases, you may be eligible for TAA services but not TRA benefits.
3. Alternative Trade Adjustment Assistance or ATAA — provides a wage subsidy for workers 50 years of age or older.

These services are discussed in detail on the following pages.

# Trade Adjustment Assistance or TAA

## *Job Search Allowance*

A job search allowance helps cover expenses for a job search outside of your local labor market if you can't find suitable employment locally. If you have job skills that are in demand in your local area, you are not eligible for the allowance.

To be eligible for the allowance, you must:

- Be traveling to companies outside of your local labor market that have documented job openings that you have the skills to perform.
- Submit a request for your job search trip before you leave. You can not be reimbursed for expenses after you return from a job search if you did not submit a request in advance.
- Travel by the most direct route from your residence to the interview. When an overnight stay is necessary, reimbursement includes lodging and meals at 90 percent of the actual cost or 50 percent of the federal per diem rate for the area where the job search takes place, whichever is less. If you drive your own vehicle, there is a pre-determined mileage rate. If you use another means of travel, you will be reimbursed at the mileage rate or 90 percent of the cost of the most economical public transportation, whichever is less.



***You must submit original, itemized receipts for meals, lodging and any other allowable expenses in order to be reimbursed for your job search. The program cannot pay for expenses without receipts.***

- The maximum job search allowance reimbursement is \$1,250 which may include one or more out-of-area job search activities. You can request advanced payment of estimated job search expenses if necessary.
- The job search benefits are available within 365 days of your most recent layoff from the trade-affected employer or within 365 days of the date you were certified eligible, whichever is later.
- If you are enrolled in a TAA-approved training program, you must request the job search benefits within 182 days of your training completion date. The job search must be within the United States.

***PLEASE CONTACT A LOCAL TRADE ACT CASE MANAGER WITH ANY QUESTIONS.***

## ***Relocation Allowance***

TAA may pay for some moving costs depending on several criteria.

- If there are no suitable jobs in your local labor market and you have obtained suitable employment outside of the area, you are eligible for relocation allowances. However, if your skills match local labor market jobs in demand, you are not eligible for the funds.

- Your relocation request must be submitted before you move. The program cannot pay any moving costs if you do not submit a request before the move.
- The program may be able to pay 90 percent of reasonable and necessary expenses of moving you, your family and household goods — up to 18,000 pounds — to your new job location.
- You may also be paid for mileage for driving personal vehicles to your new location. You are required to tow at least one personal vehicle if possible.
- Lodging and meal expenses may be reimbursed at 90 percent of the actual cost or 50 percent of the federal per diem rate for the area you are relocating to, whichever is less.

***You must submit original, itemized receipts for the commercial mover/rental truck, meals, lodging and any other allowable expenses to be reimbursed for your relocation. The program will not pay for expenses without receipts.***

## **Using a Commercial Mover**

Commercial movers are not typically approved due to the higher cost. If you hire a commercial mover, you will be reimbursed for the estimated cost of using a rental truck. You must get two bids for the cost of the move, and TAA will pay 90 percent of the lowest reasonable bid. In addition, you will be paid a lump sum payment equal to three times your former average weekly wage, up to \$1,250, to help you get settled at your new location.

## **Time Frame**

You must request relocation allowances within 425 days of your most recent layoff from your trade-affected employment or within 425 days of the date you were certified eligible, whichever is later. If you are enrolled in a TAA-approved training program, you have 182 days from the day you complete training to request relocation benefits, and you must begin relocating within 182 days of applying for the relocation allowance. You are allowed one relocation allowance under a certification, and it must be within the United States.

***PLEASE CONTACT YOUR LOCAL  
TRADE ACT CASE MANAGER WITH  
ANY QUESTIONS.***

## ***Retraining***

For retraining benefits, you must apply through your Trade Act case manager, who will assess your skills, education and abilities. However, all of the following conditions must be met before training can be approved.

- Federal Trade Act funds are available to pay for training.
- No suitable employment is available for you, which is defined as work of a substantially equal or higher skill level paying no less than 80 percent of the wages earned at your trade-affected employment.
- You would benefit from training and are capable of completing it.



- There is a reasonable expectation you will be able to find training-related employment.
- Training is available.
- You have the financial resources and physical and mental capabilities to complete training.
- Training is suitable for you and available at a reasonable cost.

In addition to classroom training, TAA also offers two types of employer based training.

1. On-the-Job Training
2. Customized Training

### **On-the-Job Training**

Because the intent of the Trade Act program is to assist workers return to work as quickly as possible, priority is given to on-the-job training. Due to high training costs to an employer, TAA will pay a portion of these costs providing an incentive for employers to hire and train you when you wouldn't normally be qualified for the position. On-the-job training may be combined with some classroom training to help you acquire the necessary skills your employer requires.

To qualify for on-the-job training, there must be a signed training agreement in place before you start work, and the following conditions must be met.

- The employer must provide occupational skill training and full-time, long-term, self-sufficient employment.

- You do not already possess the skills needed to perform the job.
- The employer has not laid off any employees performing similar job functions in order to take advantage of the training program.
- Training contracts will not exceed six months or 1,040 hours.

Your local Trade Act case manager can provide further details concerning on-the-job training.

### **Customized Training**

Customized training is designed to train individuals for specific occupations in a new or expanding business or industry. Customized training is conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of training. In addition, the employer is required to pay for not less than 50 percent of the cost of training.

Your local Trade Act case manager can provide further details concerning customized training.

### **Classroom Training**

You may request training through your Trade Act case manager, who will do a thorough assessment to ensure training is appropriate and reasonable. If you are approved for training according to the retraining conditions listed on page 7, the training provided must be of the shortest duration necessary to return you to employment. The maximum duration for training is 104 weeks. This extends to 130 weeks if remedial education is needed prior to attending occupational training.

- TAA will pay for tuition, books, tools and supplies.
- TAA will only pay for items that are required to complete training and items that are reasonable and necessary. If items are only recommended, TAA cannot pay for them. Any unauthorized purchases will be the responsibility of the student.
- Tools will be provided if they are required for your training, but they are the property of the TAA program during your training. You can keep them ONLY if you successfully complete the training.
- Even though you are allowed up to 104 weeks of training, you will only be approved for the number of weeks it takes to reasonably complete such training. For example, if truck driving school is a five-week program, you will be approved for five weeks of training.
- You are allowed one training program under a single Trade Act certification. Once you begin your approved training program, changes to the training plan will only be made on a situational basis and only for good cause. It is very important to thoroughly research all aspects of the training you are considering.
- Once you have been approved to start a classroom training program, you may qualify for transportation or subsistence benefits.

## ***Transportation***

If the training is only available outside of your commuting area, you qualify to receive an allowance for round-trip travel to the training facility at a pre-determined mileage rate. This rate cannot exceed 50 percent of the federal per diem rate for the area in which the training facility is located. If public transportation is reasonably available, you will be reimbursed for the cost of the transportation instead of mileage.

## ***Subsistence***

You may be approved for a subsistence allowance if the distance to the training facility is too far to commute to on a daily basis and you need a separate residence near the training facility. You will be paid for the actual cost of maintaining a separate household for each day you attend training, not to exceed 50 percent of the federal per diem rate for the location of training.

***You must submit original, itemized receipts for all living expenses such as rent, groceries, meals, electric bills and gas bills you want reimbursed. A copy of the apartment rental agreement must also be provided.***

## ***Responsibilities During Classroom Training***

- Training must be full time. You will be expected to take 15-18 credits. You can discuss with your case manager whether or not there are exceptions to this rule.

- You must provide your class schedule to your TAA case manager at the start of each training term.
- You must provide a copy of your grades to your TAA case manager for each training term.
- Each week that you attend training you are required to submit to your case manager an attendance form with your signature and signature of an instructor.

If you withdraw from classes, you may not be eligible to return to TAA-approved training.

## **Trade Readjustment Allowance or TRA**

This allowance is a weekly cash benefit equal to that of your unemployment insurance claim which you qualify for as a result of your job loss with your trade-certified employer. You are eligible for this allowance if:

- You were entitled to unemployment insurance benefits and have exhausted your payments.
- You are enrolled in training or have had your training waived within 16 weeks of your layoff or within eight weeks of your eligibility certification.
- The time frame for eligibility to receive TRA has not expired.
- You attend all classes provided by the training entity, if you are in a training program.



TRA benefits provide you with income during your training period. You can receive a combination of unemployment insurance and TRA for up to 104 weeks, 130 if you qualified for remedial training. If you use some of your unemployment insurance benefits before you start training, you may run out of TRA before training is complete.

***PLEASE ASK YOUR TRADE ACT CASE  
MANAGER TO THOROUGHLY EXPLAIN  
THE TRA PROGRAM IF YOU HAVE  
QUESTIONS OR CONCERNS ABOUT  
THESE BENEFITS.***

## **Alternative Trade Adjustment Assistance or ATAA**

The Trade Act petition must be certified for Alternative Trade Adjustment Assistance for this program to be available.

If you are age 50 or older and find employment after your trade-affected layoff, you may qualify to receive 50 percent of the difference between your new wage and your previous wage. The supplement is available for up to two years or \$10,000 in payments, whichever comes first. To qualify, you must

- Be 50 years old at time of reemployment.
- Obtain reemployment within 26 weeks of separation from the trade-affected employment.
- Earn less than \$50,000 gross annual wage excluding overtime pay.
- Be reemployed full time to qualify for a subsidy each week.

- Not return to work for a trade-qualifying employer unless it is in a completely different capacity for that employer.

Eligible workers who choose ATAA do not qualify for job search, relocation, training or TRA.

## **Training Waiver**

You may qualify to receive basic TRA benefits while you are looking for work if you have exhausted all rights to unemployment insurance and it is not feasible for you to attend training. You may be granted a waiver from training if:

- You are recalled to the firm from which you were laid off.
- Based on the individual assessment, there is a reasonable expectation you will find suitable employment.
- You are within two years of qualifying for social security benefits or a private pension.
- You are unable to attend training due to health issues.
- The training start date is more than 60 days away.
- Training is not available, is too expensive or no training funds are available.

***YOUR LOCAL TRADE ACT CASE  
MANAGER CAN PROVIDE FURTHER  
DETAILS CONCERNING  
TRAINING WAIVERS.***

## Health Coverage Tax Credit

This is a federal income tax credit for health insurance premiums paid by eligible TRA recipients. If you qualify, you can claim a credit equal to 65 percent of the premiums you pay. To be eligible for this credit you must meet one of the following qualifications:

- You are receiving TRA or are eligible for TRA once your unemployment insurance benefits have been exhausted.

OR

- You are receiving ATAA benefits.

OR

- You are eligible for benefits under the Pension Benefit Guaranty Corporation.

Coverage may also be provided for the spouse and dependents of an eligible individual if they are not otherwise covered by health insurance.

To qualify for the credit, you must be covered by qualified health insurance on the first day of the month for which the credit is claimed and you must have paid the premium for that month. You can choose to have the 65 percent of your premiums paid directly to your health insurance company on a monthly basis.

## Contact Information

If you have questions about these benefits please call the Health Coverage Tax Credit Customer Contact Center at (866) 628-HCTC (4282) or on the Internet at [www.irs.gov](http://www.irs.gov) (IRS keyword: HCTC).

The U.S. Department of Labor has more information at [www.doleta.gov/tradeact/](http://www.doleta.gov/tradeact/).

Your local Trade Act case manager is:

A topographic map of the North Atlantic Ocean, showing the coastline of North America on the left and the Atlantic Ocean to the right. The map is overlaid with a semi-transparent blue rectangle. The text "NORTH ATLANTIC OCEAN" is visible on the map, following the curve of the ocean.

# NORTH ATLANTIC OCEAN

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